RALLYE

Paris, August 1st, 2016

INTERIM FINANCIAL REPORT

Article 222-4 of the AMF General Regulations

TABLE OF CONTENTS

1 - STATEMENT BY THE PERSON IN CHARGE OF THE INTERIM FINANCIAL REPORT

I hereby certify that, to my knowledge, the statements presented in the interim financial report have been prepared in accordance with the applicable accounting standards and that they present fairly the Rallye Group's assets, financial position, and results of operations and that the interim business report presents fairly the material events that have occurred during the first six months of the fiscal year and their impact on the interim financial statements, the main risks and uncertainties for the remaining six months of the year, and the principal related-party transactions.

Paris, August 1st, 2016

Didier CARLIER,
Chief Executive Officer

2 – INTERIM BUSINESS REPORT

Highlights of the first half of 2016

Casino

- On **15 January 2016**, Standard & Poor’s decided to update its assessment of Casino's credit against the backdrop of challenging macroeconomic conditions in emerging markets and the recession in Brazil. As a result, the agency placed the Group's BBB- credit rating under CreditWatch Negative.

- On **7 February 2016**, Casino announced that it had signed a contract to sell its stake in Big C Supercenter PCL, listed in Thailand ("Big C"), for €3.1bn (excluding debt) to TCC Group, one of the leading conglomerates in Thailand, with operations in retail, trade, industry, food and beverages, finance and insurance, property and agro-food.

- On **21 March 2016**, Standard & Poor's reduced Casino's credit rating of one notch to BB+; Outlook Stable after having confirmed Casino’s BBB-; Outlook Stable credit rating on 11 December 2015 and beginning a review of the Group's credit position on 15 January 2016.

- On **21 March 2016**, Casino sold its interest in Big C Supercenter PCL to TCC subsidiary BJC. The disposal proceeds, in an amount of €3.1bn, allowed the Group to reduce its debt by €3.3bn with a capital gain of €2.4bn.

- On **29 April 2016**, Casino announced that it had sold Big C Vietnam to the Central group for an enterprise value of €1bn, representing 2015 multiples of 1.8 x sales, 20.4 x EBITDA and 34.4 x EBIT. The proceeds of the disposal received by the Group amounted to €920m.

- On **3 May 2016**, Casino exercised its call option on all of the €500m convertible bonds issued by Monoprix in December 2013 and subscribed by Credit Agricole CIB.

- On **12 May 2016**, Casino group announced its plan to launch a voluntary tender offer for the outstanding ordinary shares of Cnova N.V. ("Cnova") held by the public (namely the shares not held by the Group) for a price of $5.50 per share. This represents a maximum outlay of around $196m. The same day, Cnova and Via Varejo S.A. ("Via Varejo") announced plans to merge Cnova's Brazilian business with Via Varejo. Once the project is completed, Cnova would exclusively own Cdiscount.

- On **25 May 2016**, Casino and the Baud Family came to a financial agreement to end their legal dispute, which had been ongoing in the Paris courts since 2007.

- On **6 June 2016**, Casino launched a tender offer on notes maturing in January 2023, February 2025 and August 2026.

- On **13 June 2016**, the tender offer allowed Casino to buy back €134.2m worth of bonds maturing in January 2023, €158.2m worth maturing in February 2025 and €245.0m worth maturing in August 2026, for a cumulative nominal amount of €537.4m.

Business Report

The comments contained in the Interim Financial Report reflect comparisons with first-half 2015 continuing activities figures, i.e. restated for the impact of the disposal of the Asia activities, in accordance with the IFRS 5 standard. Organic and same-store changes exclude fuel and calendar effects.

Revenue

Rallye's consolidated revenue totaled €20.0 billion at June 30, 2016, down 8.6% compared to June 30, 2015. The breakdown by business segment is as follows:

In € millions	06/30/2016	06/30/2015	Change
France Retail	9,264	9,136	+1.4%
Latam Retail	6,836	7,803	-12.4%
Latam Electronics	2,182	2,924	-25.4%
E-commerce	1,391	1,719	-19.1%
Other business*	352	327	+7.6%
Total	20,025	21,909	-8.6%

* Related to holding company, investment portfolio and Groupe GO Sport

In the first half of 2016, **Casino** recorded consolidated revenue of €19.7bn. Scope changes had a negative impact of -0.2% (excluding fuel which contributed -0.2%). Changes in exchange rates had a negative impact of -11.3%

- First-half 2016 was shaped by:

  - A continued recovery in France, with: progression in activity, further market share gains, and improved results: COI of €85m in H1 2016 versus -€53m in H1 2015
  - Sustained good performances in Colombia, Argentina and Uruguay
  - Improved sales in Brazil: stepped-up development of cash & carry, the initial results of Multivarejo's commercial relaunch plan which weighed on profitability, stabilisation in activity at Via Varejo since Q2 2016
  - A project of simplifying the organisation for the Group's E-commerce activities
  - Rapid execution of the asset disposal plan, which exceeded objectives by delivering proceeds of €4.2bn as of end-April from the disposal of operations in Thailand and in Asia
  - A sharp decline in Casino's net financial debt in France : net financial debt in France amounted to €4.0bn at 30 June 2016 versus €8.5bn at 30 June 2015, a total of €1.5bn was employed in the first-half to pay down gross debt and in connection with exercise of the call option on the Monoprix convertible bonds
  - The impact on first-half earnings of: the disposal of operations in Asia, the economic slowdown in Brazil, notably in non-food activities, and Latin American currency effects
  - Net profit, Group share amounted to €2.6bn related to capital gains from Asia's disposal

The France Retail segment recorded sales of €9,264m in the H1 2016 versus €9,136m in H1 2016. On an organic basis excluding fuel and calendar effects, sales were up +2.0%.

Highlights by format were as follows:

- At **Géant Casino**[1], the semester was marked by confirmed growth. The banner continued to show good sales trend with sales up +3.1% on an organic and same-store basis excluding fuel and calendar effects. Traffic showed a sustained increase (+6.2% over a two-year period in Q2 2016). The banner continued to gain market share (+0.1pt cumulative year-to-date according to Kantar P07 data). Géant Casino[1] posted good commercial dynamics, with changes in the food and non-food offering, faster check-out and more consistent merchandise availability.
- At **Leader Price**, H1 2016 sales rose by +3.1% on a same-store basis and by +4.2% on an organic basis (excluding fuel and calendar effects). Traffic was up +5.6% over a two-year period in Q2 2016. Leader Price maintained its strong marketing momentum, with very low prices, continuously improved in-store service and growth in sales per square metre. The banner's market share was up (+0.1pt cumulative year-to-date according to Kantar P07 data). In addition, Leader Price stepped up deployment of the franchise network over the period, with half of the network operating as franchises by the end of Q2 2016, versus 22% as of end-June 2015.
- **Monoprix** achieved organic sales growth of +1.5% over the first half excluding fuel and calendar effects. Food and apparel sales held up well despite unfavourable weather and a decline in tourist activity in Paris. The banner's expansion was very dynamic, with 36 new stores opened during the period.
- **Casino Supermarkets** sales rose by +0.6% on a same-store basis and by +2.5% on an organic basis (excluding fuel and calendar effects), lifted by expansion (11 stores opened since Q3 2015) and the performance of franchises. Traffic was up +1.3% over a two-year period and +1.9% in Q2 2016. The banner is successfully pursuing its marketing and operational action plans.
- **Franprix** reported consistently stable same-store sales over the first half. The banner continued to roll out the new Mandarine concept, which has delivered strong growth and outperformed the other stores. In Q2 2016, 44% of the store network had been renovated with the new concept and the percentage is expected to rise to 58% by year end.
- **Convenience** continued to improve its offering and in-store services, by developing new services and updating assortments, while also rationalising the store base with new openings, conversions into franchises and work to bring existing stores into line with the new concepts.

Latam Retail sales amounted to €6,836m in H1 2016 (€8,607m at constant exchange rates). In Brazil, GPA food sales showed strong organic growth of +7.8% in Q1 and +11.4% in Q2 (excluding fuel and calendar effects). Hypermarkets accounted for 30% of total Group sales, cash & carry 33% and premium banners 37%, together representing a contribution to Casino of €4,751m. In all, 9 stores were opened in H1 2016 (7 at Multivarejo and 2 at Assaí). Exito (excluding Brazil) enjoyed excellent momentum in the H1 2016. The Group achieved solid growth in organic sales, which rose by around +11% excluding fuel and calendar effects.

The Latam Electronics segment achieved H1 2016 sales of €2,182m, or €2,722m at constant exchange rates. Via Varejo's sales stabilised in local currency since Q2 2106, with organic growth of +0.3% excluding fuel and calendar effects (compared to -12.7% in Q1 2016). Same-store sales excluding fuel and calendar effects rose by +2.6% in Q2 2016 (compared to -11.8% in Q1 2016). Via Varejo's sales improved since Q2 2016 thanks to banner conversions, growth in mobile phone sales, an improved merchandise offering and growth in services. The banner continued to gain market share both by category (+150bp) and in the overall market (+220bp) April and May 2016, thus returning to historic highs.

[1] *Excluding business primarily from the four Codim hypermarkets in Corsica*

Regarding the E-commerce segment in France, Cdiscount sales were sustained with +13.7% growth on an organic basis excluding fuel and calendar effects. The marketplace expanded rapidly, with nearly 9,500 sellers as at 30 June 2016. Half of traffic is now carried out via mobile devices. Cdiscount has rolled out new innovative services, such as same-day delivery for packages over 30kg and Sunday delivery as well. **Cnova Brazil's** sales continued to be impacted by the country's economic environment. The marketplace continued to expand satisfactorily, with over 3,500 sellers as at 30 June 2016. Cnova Brazil reported strong growth in traffic and sales via mobile devices. Different action plans (for example to improve merchandise availability or migrate back office IT systems), began to produce results.

Other assets

Business volume of Groupe GO Sport reached more than €440m in H1 2016. Groupe GO Sport reported net sales of €349m during H1 and a growth of +4,6% on a like-for-like basis and at constant exchange rates, after +3.2% during the 2015 fiscal year. GO Sport France's commercial momentum continued with a sales growth of +2.3% on a same-store basis, with the very strong performance of the Team Sport department during the Euro 2016. The first-half also saw the launch of a new banner, Bike+, dedicated to cycling. Courir posted strong growth of its sales and acquired during the semester 12 additional stores formerly under the Bata banner. The development of franchise networks, both for GO Sport and Courir, went on in H1, with a network of respectively 33 and 25 stores at the end of H1 2016, versus 17 and 33 at the end of 2015. GO Sport in Poland reported good performance with a sales growth of +3.5% on a same-store basis and at constant exchange rates, driven by both clients and volumes' growth. The Group has reinforced its cross-canal strategy which drives the growth of its e-commerce websites. All GO Sport stores are now equipped with online purchasing terminals.

EBITDA and COI are up compared to H1 2015.

The store network of Groupe GO Sport comprised 542 stores at the end of H1 2016, 81 of which are located abroad.

Current operating income

Rallye posted current operating income of €306m, a decrease of -18.0% compared to 2015. The breakdown by business is as follows:

In € millions	06/30/2016	06/30/2015
France Retail	85	(53)
Latam Retail	212	299
Latam Electronics	100	191
E-commerce	(80)	(50)
Other business *	(10)	(15)
Total	306	373

* Relating to holding company, financial investments portfolio and Groupe GO Sport

Casino's current operating income (COI) in H1 2016 amounted to €317m versus €388m in H1 2015 restated, representing a decrease of -2.4% at constant exchange rates.

In France, COI rose sharply to €85 against -€53m in H1 2015, thanks in particular to a strong improvement in the profitability of food retail operations.

Latam Retail COI was down year-on-year at €212m. Operations in Colombia, Argentina and Uruguay turned in a satisfactory performance. In Brazil: Multivarejo sales margin increased after taking into account tax credits (positive effect of +250bp in Q2 2016[1]), Assaí posted an improvement of its operational leverage. Cost reduction plans were launched during the first half of 2016.

Latam Electronics COI decreased in comparison to H1 2015 to €100m. The gross margin is impacted by tax credits and tax changes (two of them with a positive effect of +770bp on gross margin and the third one with a negative effect of -240bp on EBITDA margin in Q2 2016[1]).Via Varejo is pursuing its cost-reduction plans.

The E-commerce segment recorded a trading loss in H1 2016. While Cdiscount saw an upturn in profitability, Cnova Brazil continued to be impacted by contracting sales.

Operating income

Other operating income and expenses showed a net expense of €531m in the first half of 2016 compared to a net income of €68m in the first half of 2015. This amount relates mainly to the loss on disposal of assets (excluding Asia), for - €10m, restructuring provisions and expenses totaling €144m (of which €113m in France and €25m in Brazil), provisions and expenses for taxes, contingencies and litigation totalling €80m (of which €71m for Brazil), net expenses related to changes in the scope of consolidation for €118m, and other expenses for €153m of which €119m related to irregularities identified at Cnova Brazil and to the Tascom tax in France (following a change in tax law).

After the impact of other operating income and expenses, operating income was -€224m in the first half of 2016, compared with €441m in the first half of 2015 restated.

Net income attributable to equity holders of the parent

In € millions	06/30/2016	06/30/2015 restated[2]
Current operating income	306	373
Other operating income and expenses	-531	68
Cost of net financial debt	-189	-152
Other financial income and expenses	-95	-318
Net income from continuing operations	-477	43
Net income from discontinued operations	2,900	101
Net income	2,424	143
Net income, Group share	1,223	-80
Underlying net income, Group share [3]	-92	-106

Net income, Groupe share of June 30, 2016 totaled €1,223m compared to -€80m as of June 30, 2015.

Underlying net income from continuing operations, Group share, was -€92m at end-June 2016 versus - €106m at end-June 2015.

[1] *Information communicated by the subsidiaries*
[2] *Previously published financial statements have been restated to reflect the sale of operations in Thailand and Vietnam*
[3] *See appendix*

Financial position of Casino

Consolidated net debt of Casino group stood at €6,343m at 30 June 2016, decreasing significantly (from €8,438m at 30 June 2015 restated) particularly as a result of asset disposals (net impact of the disposals of Thailand and Vietnam of €4,326m). GPA decided to resort less to discounts dut to the evolution of rates in Brazil. Non-cash elements include conversion differences for €540m and reverse factoring[1] for €389m.

Net debt of Casino in France[2] amounted to €4,027m at 30 June 2016, declining sharply from €8,482m at 30 June 2015 restated. The impact of assets disposals and the reorganisation in Latin America was very significant (net impact of the disposals of Thailand and Vietnam of €3,861m[3] and sale of 20% of GPA to Exito for €1,589m[4]).

Casino has been rated BB+ (stable outlook) by Standard & Poor's since 21 March 2016 and is rated BBB- (stable outlook) by Fitch Ratings.

The Board of Directors has decided during the meeting on 28 July 2016 to pay an interim dividend of €1.56 per share (50% of the annual dividend paid in respect of 2015, unchanged in the last three years) for the year of 2016. The detachment of the interim dividend will take place on 28 November 2016 for a payment on 30 November 2016.

Financial structure of the holding company's scope of consolidation

Rallye's holding company scope of consolidation includes Rallye and its wholly owned subsidiaries that operate as holding companies and hold Casino and Groupe GO Sport shares and the investment portfolio.

- Net debt of the Rallye holding company's scope of consolidation

The net debt of the Rallye holding company's scope of consolidation totaled €2,933m as of June 30, 2016.

This debt is composed of bond financing for €1,829m[5] and bank financing for €520m[6] representing a total gross amount of €2,349m, drawn credit lines for €413m[7], plus commercial paper outstanding as of June 30, 2016 for €143m along with bank overdrafts, interest accrued and IFRS restatements for a total amount of €28m.

Rallye holding perimeter's cost of net financial debt continued to decrease during H1 2016, to €50m compared to €57m in H1 2015. During H1, Rallye continued to optimize its financial costs by arbitrating between available resources, notably through the buyback of €35m of bonds maturing in 2021 and the setting up of bank financing at a reduced cost compared to bonds.

- Investment portfolio of the Rallye holding company's scope of consolidation

Rallye's investment portfolio is valued at €96m as at H1 2016, compared to €102m at the end of 2015. This follows €5m of net cash-in[8] during the semester.

---

[1] *Reverse factoring Brazil: requalification of the debt agreed by Via Varejo under net financial debt for €389m*
[2] *Scope: The Casino Guichard Perrachon parent company, French businesses and wholly-owned holding companies*
H1 2015 debt of Casino in France presented based on the H1 2016 scope
[3] *Disposal price excluding accrued dividend (€31m) which is presented in the FCF in accordance with 2015*
[4] *Net of €41m of transaction fees*
[5] *Bonds and commercial paper are not subject to asset pledges*
[6] *As at 06/30/2016, €210m of bank loans were subject to Casino share pledges*
[7] *As at 06/30/2016, €350m of drawn credit lines were subject to Casino share pledges*
[8] *Receipts net of cash calls*

Parent company results

Rallye's revenue totaled €0.9m as of June 30, 2016, compared to €0.3m as of June 30, 2015.

Rallye's net income totaled €87.0m versus net income of €63.3m as of June 30, 2015.

Rallye allocated 12,000 shares for the purpose of cancellation. These shares were previously allocated to the coverage of matured stock-options which had not been exercised.

Major related-party transactions

The related-party transactions are described in Rallye's Registration Document for fiscal year 2015, which was filed with the French Financial Markets Authority (AMF) on April 19, 2016, under number D.16-0368. They mainly concern current transactions with companies over which the Group exercises notable influence or joint control and which have been consolidated by the equity method. The transactions are concluded at market price. Transactions with related parties who are individuals (directors, executive officers, and members of their families) were not material, nor were transactions with the parent companies.

As of June 30, 2016, Foncière Euris owned 55.3% of Rallye's capital and 70.3% of its voting rights.

The main transaction in the half-year between Rallye and Foncière Euris concerned the payment of the dividend for fiscal year 2015, which was paid in cash and amounted to €49m.

Rallye benefits from the guidance of Euris, the Group's parent company, under the terms of a strategic advisory services agreement signed in 2003.

More details on related-party transactions are available in Notes 3.3.3 and 12 to the financial statements.

Relationships with related parties, including the compensation methods applicable for company directors, have remained comparable to those in fiscal year 2015 and no unusual transactions, in nature or amount, occurred during the period.

Major risks and uncertainties for the second half of 2016

The Group's business activities are exposed to certain risk factors described in the Rallye Registration Document related to fiscal year 2015, which is available on the Group's website, and was filed with the French Financial Markets Authority on April 19, 2016, under number D.16-0368.

Trends and outlook

- In the second half of 2016, **Casino** will continue to implement its strategic priorities :

    - In **France**, the Group will pursue sales growth and profitability improvement. The Group confirms the €500m objective for the annual trading profit in France in 2016, subject to the pursuit of consumption trends.

    - In **Latin America**, Exito group will pursue its development across various formats and countries where it operates. In Brazil, the new commercial policy will be continued on both food (GPA Food) and non-food (Via Varejo).

- **Rallye** benefits from a very strong liquidity position with €1.8bn of confirmed and immediately available credit lines (€1.4bn of which are undrawn), with an average maturity of 4.5 years. The maturity of €850m of lines was extended in H1.
- **Rallye reiterates its strategy to maximize its assets' value and confirms the strength of its financial structure**

Appendix: Reconciliation of published net income to underlying net income

Underlying net profit corresponds to net profit from continuing operations adjusted for (i) the impact of other operating income and expenses (as defined in the "Significant Accounting Policies" section of the notes to the annual consolidated financial statements), (ii) effects of non-recurring financial items and (iii) non-recurring income tax expenses/benefits.

Non-recurring financial items include fair value adjustments to equity derivatives instruments (for example instruments as Total Return Swap and forward related to GPA shares) and effects of monetary updating of tax liabilities in Brazil.

Non-recurring income tax expense/benefits correspond to tax effects related directly to the above restatements and to direct non-recurring tax effects. In other words, the tax on underlying profit before tax is calculated at the standard average tax rate paid by the Group.

	H1 2015 restated [1]			H1 2016		
In €m	H1 2015	Items restated	H1 2015 underlying	H1 2016	Items restated	H1 2016 underlying
Current Operating Income (COI)	**373**	**-**	**373**	**306**	**-**	**306**
Other operating income and expenses	68	(68)	-	(531)	531	-
Operating income	**441**	**(68)**	**373**	**(224)**	**531**	**307**
Cost of net financial debt	(152)	-	(152)	(189)	-	(189)
Other financial income and expenses	(318)	183	(135)	(95)	(44)	(139)
Income tax expense	37	(110)	(74)	15	(80)	(65)
Income from associated companies	35	-	35	17	-	17
Net income from continuing operations	**43**	**5**	**47**	**(477)**	**408**	**(69)**
Of which minority interests	152	2	154	(236)	258	22
Of which Group share	**(110)**	**3**	**(106)**	**(241)**	**149**	**(92)**

[1] *Previously published financial statements have been restated to reflect the sale of operations in Thailand and Vietnam*

3 – INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2016

Consolidated income statement

In € millions	Notes	1st half 2016	1st half 2015 restated [(1)]
Continuing operations			
Net sales, excluding taxes	*5*	20,025	21,909
Full cost of goods sold		(15,079)	(16,574)
Gross margin		**4,946**	**5,335**
Other income		241	258
Cost of goods sold	*6.2*	(4,117)	(4,431)
General and administrative expenses	*6.2*	(764)	(787)
Current operating income	*5.1*	**306**	**373**
Other operating income	*6.3*	44	380
Other operating expenses	*6.3*	(575)	(312)
Operating income		**(224)**	**441**
Income from cash and cash equivalents	*9.3.1*	68	100
Gross cost of financial debt	*9.3.1*	(257)	(252)
Net cost of financial debt		**(189)**	**(152)**
Other financial income	*9.3.2*	155	127
Other financial expenses	*9.3.2*	(250)	(446)
Profit before tax		**(509)**	**(29)**
Tax income (expense)	*7*	15	37
Share of net income of associates and joint ventures	*3.3.1*	17	35
Net income from continuing operations		**(477)**	**43**
Owners of the Company		**(241)**	**(110)**
Non-controlling interests		(236)	152
Discontinued operations			
Net income from discontinued operations	***3.2.2***	**2,900**	**101**
Owners of the Company		1,464	30
Non-controlling interests		1,436	71
Consolidated net income		**2,424**	**143**
Owners of the Company		**1,223**	**(80)**
Non-controlling interests	*10.2*	1,201	223

In € millions		
Net income attributable to the owners of the company		
Net income from continuing operations		
Basic	(4.97)	(2.26)
Diluted	(4.97)	(2.44)
Consolidated net income		
Basic	25.24	(1.64)
Diluted	25.12	(1.83)

1. *The previously published financial statements have been restated (Note 1.3)*

Consolidated statement of comprehensive income

In € millions	1st half 2016	1st half 2015 restated [1]
Consolidated net income	**2,424**	**143**
Cash flow hedges	(18)	6
Net investment hedge in a foreign business	47	
Translation adjustments [2]	1,193	(639)
Change in fair value of financial assets available for sale	(1)	
Share of associates and joint ventures in items to be reclassified	20	(10)
Tax effects	(12)	(2)
Items to be reclassified later in profit (loss)	**1,229**	**(645)**
Actuarial gains and losses	(4)	2
Tax effects	2	(1)
Items that will not be reclassified in profit or loss	**(2)**	**1**
Other items of comprehensive income net of taxes	**1,227**	**(644)**
Total comprehensive income:	**3,651**	**(501)**
Owners of the Company	**1,455**	**(199)**
Non-controlling interests	2,196	(302)

1. *The previously published financial statements have been restated (Note 1.3)*
2. *The impact of the sale of Thai and Vietnamese businesses is set forth in Note 3.2.2.*
3. *The positive change of €1,193 million in the 1st half of 2016 mainly reflects the appreciation of the Brazilian currency for €1,382 million, offset by the reclassification of translation losses from the Thai and Vietnamese operations and their reclassification for a total of -€178 million (Note 3.2.2.) The negative change of -€639 million in the 1st half of 2015 mainly reflected the depreciation of the Brazilian and Uruguayan currencies for, respectively,-€660 and -€40 million, offset by the appreciation of the Thai baht amounting to €68 million.*

Consolidated Statement of Financial Position

ASSETS ***(in € millions)***	**Notes (1)**	**June 30, 2016**	**December 31, 2015**
Goodwill	*8*	11,242	11,365
Intangible assets	*8*	4,059	3,672
Property, plant and equipment	*8*	8,595	8,810
Investment property	*8*	371	777
Investments in associates and joint ventures	*3.3.1*	671	632
Other non-current assets		2,212	2,013
Deferred tax assets		520	491
Total non-current assets		**27,670**	**27,759**
Inventory		5,188	5,040
Trade receivables and related accounts		1,745	1,306
Other current assets		1,940	1,630
Other current financial assets		179	401
Current tax receivables		211	189
Cash and cash equivalents	*9.1*	4,186	4,667
Assets held for sale	*3.2.1*	17	538
Total current assets		**13,465**	**13,770**
Total assets		**41,134**	**41,530**

SHAREHOLDERS' EQUITY AND LIABILITIES ***(in € millions)***	**Notes (1)**	**June 30, 2016**	**December 31, 2015**
Capital	*10.1*	146	146
Reserves and earnings attributable to owners of the Company		1,644	283
Shareholders' equity attributable to the owners of the Company		**1,791**	**429**
Non-controlling interests		11,043	10,145
Shareholders' equity	***10***	**12,834**	**10,575**
Provisions for pensions and similar non-current commitments		310	311
Other non-current provisions	*11*	771	542
Non-current financial liabilities	*9.2*	10,161	11,722
Debt related to commitments to purchase non-controlling interests		43	50
Other non-current liabilities		838	805
Deferred tax liabilities		1,220	1,225
Total non-current liabilities		**13,343**	**14,656**
Provisions for pensions and similar non-current commitments		10	9
Other current liabilities	*11*	185	194
Trade payables		6,200	8,162
Current financial liabilities	*9.2*	4,164	3,308
Debt related to commitments to purchase non-controlling interests		111	102
Tax liabilities payable		85	93
Other current liabilities		4,204	4,247
Liabilities related to assets held for sale	*3.2.1*		184
Total current liabilities		**14,958**	**16,299**
Total shareholders' equity and liabilities		**41,134**	**41,530**

1. *The fair value of financial instruments is set forth in Note 9.4.*

Consolidated cash flow statement

In € millions	*Notes*	1st half 2016	1st half 2015 restated (1)
Net income attributable to the owners of the Company		1,223	(80)
Non-controlling interests		1,201	224
Consolidated net income		**2,424**	**144**
Amortization, depreciation, and provisions		534	403
Unrealized losses/(gains) related to changes in fair value	9.3.2	(54)	172
Computed expenses/(income) linked to stock options and similar		6	6
Other computed expenses and income		19	11
Net income from sales of assets		21	(16)
Losses/(gains) related to changes to interests in subsidiaries with gain/loss of control, or to stakes in non-controlling interests		49	(257)
Proceeds from the sale of discontinued operations, net of taxes	3.2.2	(2,872)	
Transactions related to discontinued operations with no impact on cash		36	104
Share of net income of associates and joint ventures	3.3.1	(17)	(35)
Dividends received from associates and joint ventures	3.3.1	21	33
Cost of net financial debt	9.3.1	189	152
Cost of assignment of receivables	9.3.2	138	152
Cash flow		**494**	**869**
Tax liability (including deferred taxes)	7	(15)	(37)
Taxes paid		(115)	(111)
Change in Working Capital Requirement (WCR)	4.1	(2,555)	(1,754)
Net cash flow from operating activities (A)(2)		**(2,191)**	**(1,033)**
Acquisition of property, plant and equipment, intangible assets and investment properties		(677)	(721)
Sale of property, plant and equipment, intangible assets and investment properties		121	31
Acquisition of financial assets		(9)	(18)
Sale of financial assets		14	5
Impact of changes in scope of consolidation with change of control (Note 4.2)		3,704	(121)
Impact of changes in scope of consolidation related to associates and joint ventures		1	
Change in loans and advances granted		5	3
Net cash flow from investing activities (B)(2)		**3,159**	**(821)**
Dividends paid to shareholders of the parent company	10.3	(89)	(89)
Dividends paid to minority shareholders of consolidated companies	10.2	(203)	(316)
Dividends paid to holders of perpetual super subordinated notes	10.3	(42)	(42)
Capital reductions/increases in cash		(7)	1
Transactions between the Group and non-controlling interests	4.3	(28)	(49)
Purchases and sales of treasury stock		10	9
Change in financial assets related to debt		30	(5)
Bonds issues	4.4	1,167	1,772
Redemption of bonds redeemable in shares	2	(500)	
Repayments of loans	4.4	(1,873)	(2,253)
Net financial interest paid		(261)	(396)
Net cash flow from financing activities (C)(2)		**(1,796)**	**(1,368)**
Impact of currency translation adjustments (D)		334	**(187)**
Change in cash and cash equivalents (A+B+C+D)		**(494)**	**(3,409)**

Opening net cash and cash equivalents (F)		4,599	7,512
Net cash from businesses held for sale		(129)	
Opening net cash on the balance sheet	9.1	4,470	7,512
Closing net cash		4,105	4,103
Closing net cash from businesses held for sale (E)			
Closing net cash on the balance sheet	9.1	4,105	4,103
Change in cash and cash equivalents (G-E-F)		**(494)**	**(3,409)**

1. *The previously published financial statements have been restated following the change in the presentation of financial income (Note 1.3) and for an amount which was not significant following the finalization of the allocation of the price related to the takeover of the Disco subgroup.*
2. *The cash flows relating mainly to the discontinued Thai and Vietnamese operations are set forth in Note 3.2*

Statement of changes in consolidated shareholders' equity

In € millions	Capital	Reserves related to capital	Treasury shares	Consolidated reserves and income/(loss)	Cash flow hedges	Net investment hedge	Translation adjustments	Actuarial gains and losses	Financial assets available for sale	Shareholders' equity attributable to the owners[1]	Non-controlling interests	Total shareholders' equity
As at January 1, 2015	**146**	**1,440**	**(19)**	**136**	**11**	**(15)**	**(416)**	**(16)**	**68**	**1,334**	**12,601**	**13,935**
Income and expenses recognized directly in shareholders' equity				25			(119)		(25)	(119)	(526)	(645)
Consolidated net income as at June 30, 2015				(80)						(80)	224	144
Total income and expenses recognized				**(55)**			**(119)**		**(25)**	**(199)**	**(302)**	**(501)**
Capital transactions											1	1
Transactions in treasury shares			19	(6)						13	(1)	12
Dividends paid [2]				(89)						(89)	(264)	(353)
Changes in interests related to the takeover or loss of control of subsidiaries [3]											154	154
Change in interests without takeover or loss of control of subsidiaries[4]				(4)						(4)	(85)	(89)
Other movements				(8)						(8)	(29)	(37)
As at June 30, 2015 restated [5]	**146**	**1,440**		**(26)**	**11**	**(15)**	**(535)**	**(16)**	**43**	**1,047**	**12,075**	**13,122**
As at January 1, 2016	**146**	**1,440**	**(14)**	**(86)**	**11**	**(16)**	**(1,048)**	**(28)**	**25**	**429**	**10,145**	**10,575**
Income and expenses recognized directly in shareholders' equity					(9)	16	229	(2)	(2)	232	995	1,227
Consolidated net income as at December 31, 2015				1,223						1,223	1,201	2,424
Total income and expenses recognized				**1,223**	**(9)**	**16**	**229**	**(2)**	**(2)**	**1,455**	**2,196**	**3,651**
Capital transactions											(5)	(5)
Transactions in treasury shares			13	(4)						9	(1)	8
Dividends paid [2]				(89)						(89)	(226)	(315)
Changes in interests related to the takeover or loss of control of subsidiaries [3]				6						6	(504)	(498)
Change in interests without takeover or loss of control of subsidiaries[4]				(4)			(12)			(16)	(514)	(530)
Other movements				(4)						(4)	(49)	(53)
As at June 30, 2016	**146**	**1,440**	**(1)**	**1,042**	**2**		**(831)**	**(30)**	**23**	**1,791**	**11,043**	**12,834**

1. *Attributable to shareholders of Rallye.*
2. *In 2016 Rallye distributed €89 million in dividends to its shareholders (Note 10.2). The main subsidiaries Casino, Éxito and Uruguay paid respectively €172, €31 and €22 million to non-controlling interests (Note 10.2).*

   In 2015 Rallye dsitributed €89 million in dividends to its shareholders (Note 10.2). The main subsidiaries Casino, Éxito and Big C paid respectively €182, €44 and €24 million to non-controlling interests.
3. *The negative impact of €498 million mainly reflects the sale of Thai and Vietnamese businesses (Note 3.1.1). In the 1st half of 2015, the takeover of Disco led to a €154 million revaluation of the non-controlling interests in Disco.*
4. *The negative impact of €530 million mainly reflects the exercise of the call option on the Monoprix ORA bonds (Note 2) and the acquisition of shares in Éxito and GPA described in Notes 3.1.2 and 3.1.3. In the 1st half of 2015, the negative €89 million variance mainly reflected the impact of the contract to purchase Disco shares following the takeover.*
5. *The previously published financial statements have been restated by an insignificant amount following finalization of the allocation of the price related to the takeover of the Disco subgroup.*

Notes to the interim consolidated financial statements as at June 30, 2016

Rallye is a public limited company registered in France and listed on Euronext Paris, in Compartment B. The company and its subsidiaries are referred to in the rest of this document as the 'Group' or the 'Rallye Group'.

The condensed consolidated financial statements as at June 30, 2016 present the fair and true position of the company and its subsidiaries, as well as the Group's interests in joint ventures and associates.

On July 28, 2016, the Board of Directors authorized the publication of the consolidated financial statements of Rallye Group for the six months ended June 30, 2016.

Note 1 General accounting principles

1.1 Reporting standards

In compliance with European Regulation 1606/2002 of July 19, 2002, the condensed consolidated financial statements of Rallye Group as at June 30, 2016, have been prepared in accordance with the IFRS (International Financial Reporting Standards) published by the IASB (International Accounting Standards Board) and adopted by the European Union on June 30, 2016.

These accounting standards are available on the website of the European Commission via the following link:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

The interim financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2015, as reported in the Registration Document filed with the French Financial Markets Authority (AMF) on April 19, 2016 under number D.16-0368.

The consolidated financial statements of the Rallye Group as at December 31, 2015 are available on request from the company's financial department at 32 rue de Ponthieu, Paris 8th, or from its website at www.rallye.fr.

The interim consolidated financial statements were prepared in accordance with international financial reporting standard IAS 34 ('Interim Financial Reporting'). The accounting rules and methods applied in the preparation of the condensed interim financial statements are identical to those used in the consolidated financial statements for the year ended December 31, 2015, with the exception of the change in the method of presenting the costs of factoring receivables (Note 9.3) and accounting changes related to new IFRS provisions applicable from January 1, 2016.These new provisions, explained below, have no material impact on the Group's financial statements.

Standards, amendments to standards, and interpretations applicable in the European Union to reporting periods beginning on or after January 1, 2016.

The European Union has adopted the following provisions which are mandatory for the Group for reporting periods beginning on or after January 1, 2016:

➢ Annual Improvements to IFRS Standards - 2010-2012 cycle: These amendments to the standards will be applied prospectively. In particular, the relevant standards are:

- IFRS 2 - Share-based payment:

  These amendments clarify the definition of "vesting conditions" by means of separate definitions of "performance conditions" and "service conditions".

- IFRS 3 - Business Combinations:

  These amendments clarify certain aspects of the recognition of "contingent consideration" and thus amend IFRS 9 (Financial Instruments), IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) and IAS 39 (Financial Instruments: Recognition and Measurement).

- IFRS 8 – Operating Segments:

  The amendments affect the following paragraphs:

  Paragraph 22: Entities must disclose the basis of organization of the products and services referred to in paragraph 12 of the standard;

  Paragraph 28: An entity must present a reconciliation between the total assets of the segments to be reported and the total assets of the entity, if the entity reports assets by segment pursuant to paragraph 23.

- IAS 24 – Related Party Disclosures *:*

  These amendments clarify that related parties include any entity or member of its group that provides management services to the reporting entity. In such a case, the reporting entity is exempted from disclosing the compensation paid to senior management (in accordance with paragraph 17) but must disclose the total fees paid to the entity that provides the service.

➢ A

Annual Improvements to IFRS Standards - 2012-2014 cycle: in particular, these standards concern:

- IAS 34 – Interim Financial Reporting :

  These amendments apply retrospectively. They clarify the expression "elsewhere in the interim financial report" of paragraph 16A by requiring a cross-reference to the interim financial statements permitting the reader to locate the information when it is in the interim financial report but not in the Notes to the financial statements.

➢ Amendments to IAS 1 – Disclosure Initiative:

These amendments provide clarification to two points:

- the application of the notion of materiality, making it clear that it applies to all parts of financial statements, including the notes, and that the inclusion of immaterial information could make it difficult to understand them;
- the application of professional judgment, by marginally changing certain expressions that are considered as prescriptive and therefore leaving no room for judgment.

1.2 Basis for preparation and presentation of the consolidated financial statements

1.2.1 Measurement basis

The consolidated financial statements are presented in euros, the operating currency of the Group's parent company. The tables show data rounded individually to the nearest million euros. Calculations based on rounded figures may differ from reported aggregates and sub-totals.

1.2.2 Use of estimates and judgments

The preparation of consolidated financial statements requires that management employ estimates and assumptions that may have an impact on the asset, liability, income and expense figures included in the financial statements, and on some of the information included in the Notes to the financial statements. As assumptions are inherently uncertain, actual results could differ from those estimates. The Group regularly reviews its estimates and assumptions in order to take into account past experience and to include factors deemed to be relevant under prevailing economic conditions.

In preparing these interim consolidated financial statements, the main judgments made by Senior Management and the main assumptions adopted were the same as those applied when preparing the consolidated financial statements for the year ended December 31, 2015.

The main judgments and estimations in the period relate to:

- impairment of non-current assets and goodwill (Note 8);
- financial assets available for sale;

The judgments, estimations and assumptions used by operating subsidiaries relate, in particular, to:

- impairment of non-current assets and goodwill (Note 8);
- the recoverable value of deferred tax assets;
- the provisions for risks (Note 11), particularly tax and employee-related risks, as well as the recoverable value of tax credits or taxes (VAT or similar taxes) (Note 5.1) ;

1.3 Restatement of comparative information

The following table shows the impact of discontinued operations (Note 3.1.1), the change in the method for presenting the cost of factoring receivables without recourse in financial profit and loss (Note 9.3), and the finalization of the price allocation in the takeover of Disco on the consolidated income statement of June 30, 2015 compared to the same statement published at the end of July 2015.

In € millions	1st half 2015 published	Discontinued operations	Finalization of allocation of Disco price	Factoring receivables without recourse	1st half 2015 restated
Sales	23,995	(2,087)			21,909
Current operating income	507	(133)			373
Operating income	576	(133)	(2)		441
Financial income (loss)	(480)	10			(470)
Cost of net financial debt	*(315)*	*12*		*152*	*(152)*
Other financing income and expenses	*(165)*	*(1)*		*(152)*	*(318)*
Profit before tax	96	(123)	(2)		(29)
Tax income (expense)	10	26			37
Net income from continuing operations	**141**	**(97)**	**(1)**		**43**
Net income from discontinued operations	**4**	**97**			**101**
Consolidated net income	**144**		**-1**		**143**
Of which, Group share	*(80)*				*(80)*
Of which, non-controlling interests	*224*		*-1*		*223*

Note 2 Highlights

➢ Sale of businesses in Thailand and Vietnam (Note 3.1.1)

➢ Change in rating by the Standard & Poor's credit rating agency

On March 21, 2016, Standard & Poor's announced that it was downgrading Casino from BBB- to BB+, with stable outlook. This downgrade followed the announcement by the agency on January 15, 2016 that is was putting Casino on Credit Watch against a background of the problems encountered in emerging countries and the recessionin Brazil.

The consequence of this rating change was an increase of 1.25% in the annual coupon paid by the Casino Group on its bonds. This increase takes effect on the day following the annual coupon payment date of each bond issued. The impact of this clause, not material in the first half of 2016, is estimated at about €15 million over the year 2016 and slightly more than €70 million over a full year after taking account of the bond redemptions in the first half year described below. This downgrading of Casino's rating has no impact on the enforceability of Casino's debt and there are no covenants tied in any way to Casino's rating.

➢ Exercise of the call option on Monoprix mandatory convertible bonds (MCB)

On May 3, 2016, Casino exercised its call option on all the bonds redeemable in shares (*Obligations Remboursables en Actions* or 'ORA') issued by Monoprix in December 2013 and underwritten by Crédit Agricole CIB. This transaction (redeeming the bonds in shares) was completed on May 10, 2016 at a cost of €508 million (of which, €500 million nominal and €8 million in interest) and generated a financial profit of €13 million recognized as 'Net cost of financial debt' as well as a -€502 million impact on shareholders' equity (of which

-€461 million for non-controlling interests and -€41 million for Group share of the shareholders' equity).

➢ Project to launch a public tender offer for the shares of Cnova N.V.

On May 12, 2016, Casino Group announced its project to launch a public tender offer for the common stock of Cnova N.V. held by the shareholders of the float at a price of US$5.50 per share, which is a total maximum amount of about US$196 million. This tender offer is conditional on successful completion of merger of Cnova Brazil and Via Varejo. On the completion of this project, Cnova would exclusively own Cdiscount. Via Varejo would absorb Cnova Brésil and would no longer be a shareholder of Cnova, resulting in GPA losing control of Cnova. This transaction, which could take place in the second half of 2016, remains conditional, however, on the successful outcome of negotiations currently underway to ensure the support of the minority shareholders of Via Varejo.
Once this possible reorganization between fully consolidated companies is completed, its effects on Casino Group's consolidated financial statements would be eliminated, with the exception of tax effects and expenses related to the tender offer.

➢ Settlement agreement with the Baud family and takeover of Geimex

On May 25, 2016, Casino Group and the Baud family signed a settlement agreement ending all the litigation between them since 2007. This agreement provides for Casino Group to purchase the Baud family's holding of 50% in Geimex which owns the Leader Price brand internationally and which, until now, was controlled jointly by the two parties. This takeover is subject to conditions precedent including authorization by competition authorities and will come into effect once those conditions precedent have been satisfied.

➢ Bond buyback

Following a tender offer launched by the Casino Group, bonds maturing January 2023, February 2025 and August 2026 were redeemed and canceled on June 15, 2016 for notional amounts of €134, €158 and €245 million, respectively.

Additionally, in the first half year Casino Group bought, on the open market, bonds with the same maturities as above with a notional total value of €108 million (€13, €42 and €53 million respectively, on bonds maturing in January 2023, February 2025 and August 2026).

The accounting impact of all these buy back is as follows:
- Reduction in gross financial debt including the hedge revaluation component: €665 million (Note 9.2.2);
- Reduction of the hedging derivatives: €20 million (Note 9.2.2);
- Recognition of a €38 million profit posted to 'Cost of debt' (Note 9.3.1).

Following these transactions and the redemption of the bond that matured in April 2016, the average life of the bonds shortened from 5.8 years at the end of 2015, to 5.3 years at the end of June 2016.

➢ Irregularities at the subsidiary Cnova Brazil

Completion of the investigations resulted in the recognition of an additional net expense of €35 million posted to 'Other operating expenses' (Note 6.3). This expense mainly includes the impairment of intangible assets in the amount of €16 million, cut-off adjustments in the amount of €10 million, and the scrapping of property, plant and equipment in the amount of €5 million. Casino Group estimated that the share of these adjustments related to errors in past years was not sufficiently significant to justify a restatement of previously published financial statements. The subsidiary filed its 20-F annual report with the SEC on July 21.

Note 3 Consolidation scope

3.1 Scope of consolidation transactions in the 1st half of 2016

3.1.1 Sale of businesses in Asia

➢ Sale of the Thai businesses

On January 14, 2016, the Casino Group announced its intention to sell its stake in its subsidiary Big C Supercenter PCL, listed in Thailand (‘Big C’). It was sold on March 21, 2016 to BJC Group, a subsidiary of TCC Group. The proceeds from this sale amounted to €3,068 million net of expenses, generating a capital gain (net of tax) of €2,315 million (Note 3.2).

Additionally, as part of this transaction, Cnova sold its economic interests in Cdiscount Thailand to the BJC Group for €28 million net of expenses (including the repayment of a €6 million loan) thus generating a capital gain (net of tax) of €27 million (Note 3.2).

➢ Sale of the Vietnamese businesses

On April 29, 2016, Casino Group announced it had completed the sale of Big C Vietnam to Central Group for an enterprise value of €1 billion. Since the decision to sell the businesses in Vietnam had been made in late 2015, and as a result the assets and liabilities attached to the e-Commerce and Retail activities of the sub-group in Vietnam were classified as assets held for sale as at December 31, 2015. The proceeds from this sale for Casino Group amounted to €879 million net of sales expenses, generating a capital gain from the sale (net of tax) of €528 million (Note 3.2).

Following the sale of these businesses in Thailand and Vietnam, which together represented the totality of the operations segment in Asia and part of the ‘e-Commerce’ operations segment, pursuant to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, the Group presented the after-tax result of its operations in Thailand and Vietnam, and the capital gain generated by the sale of those businesses, on a separate line in the income statement ‘Net income from discontinued operations’.

Additionally, the consolidated income statement as at June 30, 2015, was restated to present discontinued operations separately from continuing operations (Notes 1.3 and 3.2). The net cash flows attributable to the operating, investing and financing activities of the discontinued operations are also presented in Note 3.2.

3.1.2 Acquisition of Éxito shares

Between March 1 and March 28, 2016, Casino Group acquired 2.4 million shares of its subsidiary Exito for a total US$11 million (or €10 million) (Note 4.3) increasing its stake from 54.77% to 55.30%. The impact of these transactions was €3 million on shareholders’ equity Group share and -€14 million on non-controlling interests.

3.1.3 Acquisition of GPA shares

In June 2016, the Casino Group acquired 970 preference shares for €11 million (Note 4.3) representing about 0.4% of GPA’s share capital. The impact of these transactions was €3 million on shareholders’ equity Group share and -€14 million on non-controlling interests.

3.1.4 Scope of consolidation transactions in the sub-group Franprix-Leader Price

As part of the projects for the redeployment of the Franprix-Leader Price franchises, the subsidiary sold during the period to two master-franchisees a group of Franprix and Leader Price stores that were loss-making in the integrated management mode. A 51% interest in these stores was sold generating a net loss of -€65 million recognized in ‘Other operating expenses’ Note 6.3). If these disposals had been completed on January 1, 2016, the impact on revenue would have been -€33 million and the impact on net income/(loss) before tax would have been nil.

At the same time, the same master-franchisees acquired a 49% stake in a group of profitable Franprix and Leader Price stores. These disposals without loss of control had no significant impact on the shareholders’ equity Group share.

Additionally, Franprix-Leader Price took over various sub-groups in the 1st half of 2016. The amount spent on these acquisitions was €8 million, generating provisional goodwill of €8 million. Since these sub-groups were previously equity-accounted in the Casino Group's consolidated financial statements, the re-measurement under IFRS 3 of the previously-held interest generated a gain of €3 million.

The contribution of these sub-groups' business activities to the Casino Group’s revenue and net income/(loss) before tax for the period was €4 million and -€3 million, respectively.

If these acquisitions had been completed on January 1, 2016, the additional contribution to revenue and net income/(loss) before tax would have been €3 million and -€1 million respectively.

3.2 Assets held for sale and discontinued operations

3.2.1 Assets held for sale

Assets held for sale and the related liabilities were €17 million and €0 million, respectively, at June 30, 2016 (compared to €538 million and €184 million, respectively, at December 31, 2015). They were composed mainly of Retail and e-Commerce assets of the sub-group in Vietnam at December 31, 2015. The decrease is explained by the transactions described in Note 3.1.1.

3.2.2 Discontinued operations

The profit (loss) from discontinued operations, consisting mainly of Thai and Vietnamese activities (Note 3.1.1) is set forth below:

In € millions	1st half 2016 (1)	1st half 2015 restated
Revenue, excluding taxes	747	2,087
Expenses	(709)	(1,958)
Profit before tax	**38**	**128**
Income tax expense	(8)	(28)
Net income	**30**	**101**
Net income from discontinued operations	**2,899**	
Sale price	*4,054*	
Sale-related expenses	(86)	
Carrying value of sold assets	*(1,160)*	
Recycling of other items of comprehensive income	*91*	
Tax on sale of discontinued operations	**(28)**	
Net income from discontinued operations (2)	**2,900**	**101**
Basic earnings per share for Casino Group from discontinued operations	25.88	0.89
Diluted earnings per share for Casino Group from discontinued operations	25.88	0.89

1. *Represents mainly two months of operations before the actual sale of the Thai businesses on March 21, 2016 and four months of operations before the actual sale of the Vietnamese businesses on April 29, 2016.*
2. *Of the €2,900 million net income for the period from discontinued operations, €1,464 was attributable to Group share and €1,436 million to non-controlling interests (versus €101 million in the 1st half of 2015, of which €30 million was attributable to Group share and €71 million to non-controlling interests).*

For the Rallye Group, basic earnings per share from discontinued operations was €30.2 at June 30, 2016 and €0.61 at June 30, 2015.

Other items of comprehensive income related to Thai and Vietnamese discontinued operations are presented below:

In € millions	1st half 2016	1st half 2015 restated
Items to be reclassified later in profit (loss)	**(148)**	**86**
Translation adjustments	(178)	86
Net investment hedge in a foreign business	47	
Tax effects	(17)	
Items not recyclable later in profit (loss)	**5**	
Actuarial gains and losses	6	
Tax effects	-1	
Other items of comprehensive income related to discontinued operations	**(143)**	**86**

Cash flows related to Thai and Vietnamese discontinued operations are presented below:

In € millions	1st half 2016	1st half 2015 restated
Net cash flow from operating activities	(209)	103
Net cash flow from investing activities	3,737	-75
Net cash flow from financing activities	340	-42
Net cash flow in the period	**3,868**	**(14)**

The impact of the sales of the Thai and Vietnamese businesses on Casino Group's statement of consolidated financial position is presented below:

In € millions	2016[1]
Goodwill, intangible assets, property, plant and equipment and investment property	1,940
Other non-current assets	161
Non-current assets	**2,100**
Other current assets	451
Cash and cash equivalents	118
Assets held for sale (Vietnam) [2]	460
Current assets	**1,029**
TOTAL ASSETS	**3,130**
Non-current financial liabilities	145
Other non-current assets	78
Non-current liabilities	**223**
Current financial liabilities	355
Trade payables	486
Other current liabilities	202
Liabilities associated with assets held for sale (Vietnam) [3]	144
Current liabilities	**1,187**
TOTAL LIABILITIES	**1,410**
NET ASSETS	**1,719**
Of which, net assets Group share	*1,160*
Of which, net assets of non-controlling interests	*559*
Consideration received net of disbursed expenses (Note 4.2)	3,985
Cash and cash equivalents sold (Note 4.2)	225
Net cash inflow (Note 4.2)	**3,759**

1. *At the date of loss of control of each of the businesses*
2. *Of which, €107 million in cash and cash equivalents*
3. *Of which, €64 million in borrowings and financial debt*

3.3 Investments in associates and joint ventures

3.3.1 Changes in investments in associates and joint ventures

In € millions	As at January 1	Impairment	Share of net income in the period	Distributions	Other changes	End of year
Associates						
Associated companies of the GPA Group (FIC & BINV)	122		30	(34)	(30)	**88**
Banque du Groupe Casino	80		1		(1)	**80**
Mercialys	457		34	(61)	(55)(1)	**376**
Associated companies of the Franprix-Leader Price Group	21		(9)		(2)	**10**
Other	47		(1)	(1)	(8)	**38**
Joint ventures						
Disco (2)	129				(129)	
Geimex	50		3	(25)		**28**
Other	7		14		(9)	**12**
Fiscal 2015	**913**		**73**	**(121)**	**(233)**	**632**
Associates						
Associated companies of the GPA Group (FIC & BINV)	88		15		20	**123**
Banque du Groupe Casino	80		1			**81**
Mercialys	376		20	(21)		**374**
Associated companies of the Franprix-Leader Price Group	10		(20)		19	**9**
Other	38		(1)		5	**41**
Joint ventures						
Geimex	28		1			**29**
Other	12		1			**13**
1st half 2016	**632**		**17**	**(21)**	**44**	**671**

1. *The negative variance of €55 million in 2015 was the result of the neutralization of the capital gain on Casino's sale of real estate assets to Mercialys in the amount of the interest held in this entity.*
2. *Since January 1, 2015, the date of the takeover, the Disco subgroup has been fully consolidated.*

3.3.2 Share of contingent liabilities in associates and joint ventures

At June 30, 2016 and December 31, 2015, there were no significant contingent liabilities in associates and joint ventures.

3.3.3 Transactions with related parties (associates and joint ventures)

The transactions with related parties summarized below mainly concern the operational transactions with companies over which the Group exercises significant influence (associates) or joint control (joint ventures) and recognized according to the equity method. These transactions are concluded at market prices.

	Transactions in the 1st half				**Balance at closing**			
	Associates		**Joint ventures**		**Associates**		**Joint ventures**	
In € millions	**2016**	**2015**	**2016**	**2015**	**June 30, 2016**	**December 31, 2015**	**June 30, 2016**	**December 31, 2015**
Loans	(2)	21			19	21		
Receivables	18	(1)		(11)	73	56	5	5
Debt	1	(17)	(2)	(4)	13	11	5	7
Expenses (1)	57	37	24	20				
Income (2)	76	161	17	8				

1. *Of which, rental revenue excluding rental charges for the 88 leases signed with Mercialys (an associated company) amounting to €30 million in 2016 (in 2015: 92 leases amounting to €19 million). As at December 31, 2015, lease commitments to Mercialys for real estate assets amounted to €99 million, of which €43 million maturing in less than one year.*

2. *Of which, dividends received from Mercialys in the amount of €21 million (at June 30, 2015: €33 million) and income from real estate transactions with Mercialys presented in 'Other income' in the amount of €47 million (in 2015: €117 million).*

Under the partnership agreement between Casino and Mercialys and in line with its asset sales transactions in 2014 and 2015, Casino sold real estate development projects in the first half of the year to Mercialys (including two Monoprix sites) for a total of €73 million, which, after taking into account both the elimination up to the holding in Mercialys and the rate of progress of each project, generated the recognition of €34 million in other income and a positive contribution of €16 million to EBITDA.

Additionally, Mercialys signed an agreement with OPPCI SEREIT France whereby Mercialys contributed to SCI Rennes-Anglet the bare walls of two hypermarkets, a shopping mall and a mid-sized store, resulting from Casino's sales of real estate development projects to Mercialys in 2014. This company is 30% owned by Mercialys and 70% by OPPCI SEREIT France. This transaction led to the recognition under 'Other income' of €13 million as part of an additional 70% share of the real estate development profit, 40% of which had been previously eliminated, and a €10 million contribution to EBITDA.

Additionally, Casino Group also has a call option, exercisable on July 31, 2018 and subject to certain conditions, concerning either: (i) the real estate assets held by SCI Rennes-Anglet valued at a fixed price of €64 million, or (ii) the shares of SCI Rennes-Anglet held by OPPCI SEREIT France and valued at the company's net asset value (NAV), the latter measured as the market value (excluding transfer taxes) of real estate assets amounting to €64 million.

Note 4 Additional information regarding the cash flow statement

4.1 Change in Working Capital Requirement related to business activity

In € millions	June 30, 2016	June 30, 2015 - restated[1]
Merchandise inventory	(123)	(14)
Real estate development inventory	60	(49)
Trade payables	(1,810)	(1,279)
Trade receivables and related accounts	(396)	58
Receivables related to credit activities	17	88
Financing of credit activities	18	(141)
Other receivables/debt	(321)	(417)
Change in Working Capital Requirement (WCR)	**(2,555)**	**(1,754)**

1. *Includes flows related to activities discontinued until their date of disposal (Note 3.2)*

4.2 Impact on cash and cash equivalents of changes in the scope of consolidation with a change of control

In € millions	June 30, 2016	June 30, 2015
Amount paid for takeovers	(43)	(195)
Cash and cash equivalents/(bank overdrafts) related to takeovers	(10)	47
Amount received for disposals of controlling interests[1]	3,985	27
(Cash and cash equivalents)/bank overdrafts related to disposals of controlling interests [2]	(228)	
Impact of changes in the scope of consolidation with a change of control	**3,704**	**(121)**

1. *Corresponds to sales of the Thai and Vietnamese businesses for the period ended June 30, 2016*
2. *Including €225 million related to the Thai and Vietnamese businesses that have been sold*

As at June 30, 2016, the net impact of these transactions on the Group's cash position resulted mainly from the sales of Big C Thailand for €2,989 million, and of Big C Vietnam for €770 million (Note 3.2.2).

As at June 30, 2015, the net impact of these transactions on the Group's cash position resulted mainly from the takeovers of Super Inter stores in 2015 for -€90 million, and of Europrice and Leader Centre Gestion, by the Franprix - Leader Price sub-group for -€18 and -€14 respectively; from the cash acquired from Disco amounting to €49 million; and from the asset swap which was part of the agreement with Cafam, for a net amount of -€17 million.

4.3 Impact on cash and cash equivalents of transactions with non-controlling interests

In € millions	June 30, 2016	June 30, 2015
Acquisitions of GPA shares (Note 3.1.3)	(11)	
Acquisitions of Éxito shares (Note 3.1.1)	(10)	
Lanin/Devoto		(17)
Other	(7)	(32)
Impact on cash and cash equivalents of transactions with non-controlling interests	**(28)**	**(49)**

4.4 Reconciliation between a change in cash and cash equivalents and a change in net financial debt

In € millions	June 30, 2016	June 30, 2015 - restated
Change in cash	**(494)**	**(3,409)**
Increases in borrowings and financial debt	(1,167)	(1,772)
Reductions in borrowings and financial debt	1,873	2,253
Change in debt with no impact on cash	89	144
Change of Group share in net assets held for sale	*(235)*	*5*
Change in other financial assets	*(5)*	*50*
Financial debts related to changes in scope of consolidation (Note 9.2.2 [3])	*566*	*(2)*
Contracted trade payables (Note 9.2.1)	*(104)*	
Change in fair value hedges and cash flow	*(31)*	*40*
Change in accrued interest	*(76)*	*21*
Interest related to Monoprix mandatory convertible bonds (Note 9.3.1)	*13*	*11*
Other	*(39)*	*19*
Impact of changes in money market rates	(567)	76
Change in net financial debt (See Note 9.2.2)	**(266)**	**(2,708)**
Net financial debt at beginning of the period	9,180	8,660
Net financial debt at end of the period (Note 9.2.1)	9,446	11,368

Note 5 Segment-specific information

Pursuant to the provisions of IFRS 8 - Operating Segments, the segment-specific information presented below is based on the internal reports used by Executive Management (the primary operational decision maker) to assess performance and allocate resources.

The sale of the Thai and Vietnamese businesses described in Note 3.1.1, which occurred within the Casino group, changed the way internal reports are presented.

The two operating segments presented are as follows:

The 'Food and general retailing' division, which reflects the various businesses of the Casino Group:

- France Retail: the segment that groups together all retailing activities in France (primarily the Casino, Monoprix, Franprix-Leader Price, and Vindémia banners)

- Latam Retail: the segment that groups together all food distribution activities in Latin America (primarily the banners of the GPA groups - food retailing groups, Éxito and Libertad),

- Latam Electronics: the segment that groups together all non-food retailing activities in Brazil (the Via Varejo group's banners: Casas Bahia and Ponto Frio),

- E-commerce: the segment that groups together the businesses of the Cnova entity (Cdiscount, its vertical and international sites, and Cnova Brazil),

The Holdings and other businesses division, which groups together the businesses of the holding companies, the sale of sports equipment, and the financial and property investments. Taken individually, these businesses are not material at Group level.

5.1 Key indicators by operating segment

In € millions	Food and general retailing				Holdings & other activities	Continuing operations as at June 30, 2016
	France Retail	Latam Retail	Latam Electronics	E-commerce		
External revenue	9,264	6,836	2,182	1,391	352	**20,025**
EBITDA	267[1]	340[2]	125[2]	(62)	(5)	**666**
Current operating depreciation and amortization (Note 6.2)	(182)	(128)	(26)	(18)	(6)	**(360)**
Current operating income	85	212[2]	100[2]	(80)	(11)	**306**

1. *€49 million of which was related to real estate development operations in France*

2. *640 million reais of which (€155 million euros, including €85 and €70 million were for Latam Electronics and Latam Retail respectively) were for cumulative PIS/COFINS tax credits, recognized during the half-year, as a deduction from the 'Complete purchase price of the merchandise sold' by GPA (of which €143 million was for prior years); all the information that enabled them to be recorded in the accounts and used in future financial years was obtained during the half year.*

In € millions	Food and general retailing				Holdings & other activities	Continuing operations as at June 30, 2015 - restated
	France Retail	Latam Retail	Latam Electronics	E-commerce		
External revenue	9,136	7,803	2,924	1,719	327	**21,909**
EBITDA	146 (1)	459	226	(30)	(8)	**793**
Current operating depreciation and amortization (Note 6.2)	(198)	(160)	(35)	(20)	(7)	**(420)**
Current operating income	(53)	299	191	(50)	(15)	**373**

1. *Including €81 million related to real estate development transactions in France*

5.2 Key indicators by geographic areas

In € millions	Food and general retailing				Holdings & other activities		Total
	France	Latin America	Asia	Other international areas	France	Other international areas	
External revenue							
As at June 30, 2016	10,108	9,562		3	313	39	**20,025**
as at June 30, 2015 - restated	9,885	11,693		3	296	32	**21,909**
Non-current assets (1)							
As at June 30, 2016	12,980	11,884		46	118	8	**25,036**
As at December 31, 2015	13,092	10,144	2,066	43	117	9	**25,471**

1. *Non-current assets include: goodwill; property, plant, and equipment; intangible assets; investment properties; interests in associates and joint ventures; and long-term prepaid expenses.*

Note 6 Information related to operations

6.1 Seasonality of operations

All operations combined, seasonality on the income statement is low for revenue; the revenue for the 1st half of 2015 represented 51% of the total for the year (48% at the average exchange rate for 2015) but is more pronounced for the current operating income (1st half of\ 2015, compared to 2015: 33% and 29% at the average exchange rate for 2015).

The cash flows generated by the Group are likewise more impacted by this seasonality: the change in the working capital requirement recorded in the 1st half is structurally speaking, strongly negative, due to the significant supplier payments made at the start of the calendar year for purchases made to service the strong demand in December of the previous year.

6.2 Nature of expenses by function

In € millions	Logistical costs (1)	Cost of goods sold	General and administrative expenses	1st half of 2016
Payroll expenses	(267)	(1,802)	(451)	(2,520)
Other expenses	(540)	(2,045)	(247)	(2,833)
Amortization and depreciation	(25)	(270)	(66)	(360)
Total	**(831)**	**(4,117)**	**(764)**	**(5,712)**

1. *Logistics costs are included under "Full cost of goods sold".*

In € millions	Logistics costs (1)	Cost of goods sold	General and administrative expenses	1st half of 2015 - restated
Payroll expenses	(316)	(1,911)	(462)	(2,688)
Other expenses	(590)	(2,210)	(250)	(3,050)
Amortization and depreciation	(34)	(311)	(76)	(420)
Total	**(939)**	**(4,431)**	**(787)**	**(6,158)**

1. *Logistics costs are included under "Full cost of goods sold".*

6.3 Other operating income and expenses

In € millions	**1st half of 2016**	**1st half of 2015 - restated**
Total other operating income	44	380
Total other operating expenses	(575)	(312)
	(531)	**68**
Gains/(losses) on disposals of non-current assets[(6)]	**(10)**	**25**
Other operating income and expenses	**(521)**	**43**
Provisions and charges for restructuring [(1) (6)]	(144)	(140)
Impairment losses [(2) (6)]	(26)	(15)
Provisions and expenses for disputes and contingencies [(3) (6)]	(80)	9
Net income/(expense) related to scope of consolidation transactions [(4) (6)]	(118)	215
Other operating income and expenses[(5)]	(153)	(26)
Other operating income and expenses	**(531)**	**68**

1. *This restructuring charge for the 1st half of 2016 primarily concerns the France Retail and GPA segments, for €113 and €23 million respectively. For the 1st half of 2015, this primarily concerned the France Retail and GPA segments, in the amount of €88 and €36 million respectively.*

2. *The impairment recorded as at June 30, 2016 primarily concerns isolated assets of the France Retail segment (essentially Franprix-Leader Price) for €22 million. The impairment recorded as at June 30, 2015 primarily concerned isolated assets of the France Retail and E-commerce segments.*

3. *The provisions and expenses for disputes and contingencies concern GPA in the amount of €68 million. As at the 1st half of 2015, the provisions and charges for disputes concerning GPA represented income of €11 million.*

4. *The charge of €118 million recorded in the 1st half of 2016 resulted primarily from scope of consolidation transactions within the Franprix-Leader Price subgroup described in Note 3.1.4, in the amount of €65 million, and fees related to scope of consolidation transactions in the amount of €28 million. As at the 1st half of 2015, income of €215 million resulted primarily from the revaluation of the stake previously held by Disco, when it was taken over for €262 millions.*

5. *Including, primarily, the charge related to irregularities at the Cnova Brazil subsidiary in the amount of €76 million, including €41 million in costs related to the investigations and €35 million related to correcting errors (Note 2,) and the tax on commercial spaces in France (TASCOM) for 2015, in the amount of €44 million. A change in tax legislation relating to TASCOM led to two charges being recorded during 2015 (TASCOM for the 2015 fiscal year, recorded entirely at the start of 2016 and presented in other operating expenses, and TASCOM for the 2016 fiscal year, from now on recorded on a straight-line basis during the year, under current operating income)*

6. *Reconciliation of the details of asset impairment losses with the tables of fixed asset movements:*

In € millions	**1st half of 2016**	**1st half of 2015 - restated**
Impairment of goodwill	(1)	(1)
Net reversals/(impairment) of intangible assets	(7)	4
Net reversals/(impairment) of property, plant and equipment	(70)	2
Net reversals/(impairment) of financial assets available for sale	(1)	(4)
Net reversals/(impairment) of other assets	(2)	(6)
Total net impairment of assets	**(81)**	**(5)**
Including assets presented under Restructuring Provisions and Expenses	*(47)*	*2*
Including assets presented under Total Net Impairment of Assets	*(26)*	*(15)*
Including assets presented under Net Income/(Expense) Related to Consolidation Scope Transactions"	*(7)*	
Including assets presented under Gains/Losses on Disposal of Non-current Assets	*(1)*	*7*

(*) Including €31 and €16 million concerning, respectively, Franprix-Leader Price and Distribution Casino France (Proximité branch), as at June 30, 2016

Note 7 Tax

The tax revenue as at June 30, 2016 comes primarily from the Casino group. This tax revenue corresponds to an effective tax rate for the Casino group of -4.3%, compared to 78.8% as at June 30, 2015. This change in the effective tax rate is explained primarily by the tax that was not recognized for tax losses carried forward in 2016, offset in part by the nontaxable revaluation income recognized in 2015 at the time of the Disco takeover.

Note 8 Goodwill, intangible assets, property, plant and equipment, and investment properties

During the first half of 2016, acquisitions of intangible assets, property, plant and equipment, and investment properties amounted to €628 million, compared to €711 million during the same period in 2015.

On June 30, 2016, the Group reviewed indicators of impairment, as defined in the appendix to the 2015 consolidated financial statements relating to goodwill and non-current assets.

Impairments of intangible assets and property, plant and equipment totaling €77 million were recorded during the period (Note 6.3,) which primarily concern the France Retail sector (€74 million).

As concerns goodwill, the tests performed on the goodwill of CGUs showing signs of impairment concerned the France Retail segment (Casino France Distribution: hypermarkets, supermarkets and convenience stores), Casino Restauration, Latam Retail (GPA Food), and Brazil E-commerce and did not lead to any impairment being recorded as at June 30, 2016. Reasonable changes in the key assumptions would not impact the findings from these tests.

Note 9 Financial structure and financial costs

9.1 Net cash

The total figure for Net Cash breaks down as follows:

In € millions	June 30, 2016	December 31, 2015
Cash equivalents	1,617	3,009
Cash	2,569	1,658
Gross cash and cash equivalents	**4,186**	**4,667**
Current bank facilities	(81)	(197)
Net cash and cash equivalents	**4,105**	**4,470**

As at June 30, 2016, cash and cash equivalents were not subject to any significant restrictions.

Transactions related to the management of receivables and trade payables

The Group transfers receivables without recourse and without continuing involvement as defined in IFRS 7, and also carries out reverse factoring transactions for its suppliers.

9.2 Borrowings and financial debts

9.2.1 Composition of net financial debt

In € millions	June 30, 2016			December 31, 2015		
	Non-current	Current	Total	Non-current	Current	Total
Bonds[(1)]	7,853	1,088	8,941	8,915	759	9,674
Other financial debt	2,160	2,815	4,974	2,735	2,248	4,983
Contracted trade payables [(2)]		163	163		282	282
Leasing agreements	86	22	109	65	15	80
Financial derivative liabilities [(3)]	63	76	139	7	4	12
Total financial liabilities	**10,161**	**4,164**	**14,325**	**11,722**	**3,308**	**15,031**
Hedging derivative assets at fair value [(4)]	(482)	(102)	(585)	(438)	(260)	(698)
Group share of assets held for sale and related liabilities		(14)	(14)		(315)	(315)
Other financial assets	(18)	(77)	(94)		(170)	(170)
Cash and cash equivalents		(4,186)	(4,186)		(4,667)	(4,667)
Total financial assets	**(500)**	**(4,379)**	**(4,879)**	**(438)**	**(5,412)**	**(5,851)**
Net financial debt[(1)]	**9,661**	**(215)**	**9,446**	**11,284**	**(2,104)**	**9,180**

1. *Including €8,554 and €387 million respectively in France and with GPA as at June 30, 2016*
2. *Corresponds primarily to contracted trade payables (reverse factoring) for Via Varejo (see Note 11 to the consolidated financial statements, included in the 2015 Registration Document). During the half year, €325 million was paid to factors and is presented in the cash flows related to financing, in the cash flow statement.*
3. Including €101 million, €27million and €12 million respectively in Latam Retail, E-Commerce and France as at June 30, 2016
4. *Including €503 and €80 million respectively in France and at GPA as at June 30, 2016*

Breakdown of net financial debt

In € millions	June 30, 2016				December 31, 2015			
	Financial debt [(4)]	Cash and cash equivalents	Group share of net assets classified according to IFRS 5	Net financial debt	Financial debt [(4)]	Cash and cash equivalents	Group share of net assets classified according to IFRS 5	Net financial debt
Rallye scope [(3)]	**3,156**	**(53)**		**3,103**	**3,189**	**(81)**		**3,107**
-								
Casino	**10,504**	**(4,147)**	**(14)**	**6,343**	**11,042**	**(4,718)**	**(252)**	**6,073**
France Retail	**6,906**	**(2,866)**	**(12)**	**4,027**	7,787	(1,681)	(24)	6,081
Latam Retail	**2,907**	**(643)**	**(2)**	**2,263**	2,231	(1,236)	(2)	993
Of which, GPA food	1,537	(401)		1,136	*1,091*	*(864)*		*227*
Of which, Éxito [(1)]	1,371	(242)	(1)	1,127	*1,140*	*(372)*	*(2)*	*766*
Latam Electronics	**241**	**(463)**		**(222)**	427	(1,294)		(867)
Asia					559	(188)	(225)	146
Of which, Thailand					*306*	*(60)*		*246*
Of which, Vietnam [(2)]					*253*	*(128)*	*(225)*	*(100)*
E- Commerce [(2)]	**450**	**(175)**		**275**	39	(318)	(1)	(280)
Total	**13,660**	**(4,200)**	**(14)**	**9,446**	**14,228**	**(4,797)**	**(251)**	**9,180**
Net cash after intercompany elimination of the Retail and E-commerce businesses in Vietnam classified according to IFRS 5 [(2)]					(66)	129	(63)	
Net financial debt	**13,660**	**(4,200)**	**(14)**	**9,446**	**14,162**	**(4,668)**	**(314)**	**9,180**

1. *Éxito excluding GPA, including Argentina and Uruguay.*
2. *Given the process for disposal of Big C Vietnam (announced to the market on December 15, 2015), the Group has applied IFRS 5 to its Vietnamese business activities (including Cdiscount Vietnam) as at December 31, 2015. The net cash position of the two businesses (€63 million as at December 31, 2015) was reclassified as Assets Held for Sale pursuant to IFRS 5.*
3. *Go Sport Group accounted for €172 million of net financial debt as at June 30, 2016, compared to €150 million as at December 31, 2015.*
4. *Corresponds to financial borrowings and debts net of hedging derivative assets at fair value, and other financial assets.*

9.2.2 Change in financial debt

In € millions	June 30, 2016	December 31, 2015
Financial debt at beginning of the period (including hedging and cash flow instruments)	**14,333**	**16,400**
New borrowings [(1)]	1,167	3,774
Bond redemptions [(2)]	(1,873)	(5,639)
Changes in fair value (through profit or loss)	4	(48)
Translation adjustments	408	(500)
Changes in scope of consolidation [(3)]	(564)	26
Financial liabilities held for sale	66	(66)
Other reclassifications[(4)]	199	386
Financial debt at close of the period (including hedging and cash flow instruments)	**13,740**	**14,333**
Financial liabilities	14,325	15,031
Financial derivatives recognized as assets	(585)	(698)

1. *In the 1st half of 2016, new loans comprise mainly the transactions described below: (a) the change in short-term commercial paper in the amount of €274 million, (b) utilization of the lines of credit by Éxito and Rallye in the amount of €144 and €75 million respectively, (c) new loans taken out by the Brazilian subsidiaries for €128 million (of which, €250 million with GPA and €159 million with Cnova Brésil), by Big C Thailand in the amount of €207 million and €50 million with Rallye and (d) the bond issue by GPA in the amount of €121 million.*
2. *The repayments of loans in the 1st half of 2016 relate mainly to Casino Guichard-Perrachon, GPA, and Rallye for respectively €1,034 million (including (a) the buyback of bonds for €645 million as described in Note 2, (b) the redemption of a bond issue of €386 million), €428 million (of which, €255 million of contracted trade payables) and (c) €260 million (of which, €100 million for a bank loan, €125 million due to a change in short-term commercial paper, and the buyback of €35 million in bonds.*

3. *Including €-502 million, following the sale of the Thai businesses and €-64 million of which related to the sale of the Vietnamese businesses (Note 3.2.2)*

4. *Including €180 million of contracted trade payables as at June 30, 2016 (€425 million as at December 31, 2015)*

9.3 Financial income (loss)

In 2016, the Group reviewed the presentation of the costs of assigning receivables within its financial income. These costs, which were presented under the heading ‘Cost of net financial debt’, are now presented under the heading ‘Other financial income and expenses’.

The Group estimates that this voluntary change in method enhances the relevance of the financial information published by the Group because it now enables a direct comparison to be made between the aggregates ‘Cost of net debt’ and ‘Net financial debt’. As concerns the change in method, the new presentation was applied retrospectively, which led to 2015 being restated as if this presentation had always been applied.

Cost of net financial debt consists of all the income and expenses generated by cash and cash equivalents, and the loans and financial debts during the period, particularly the gains and losses on the sale of cash equivalents, the interest expense related to loans and financial debts, the gains and losses on interest rate hedges (including the ineffective portion) and the exchange rate differences related to them, together with the costs related to the contracted trade payables.

Other financial income and expenses include: the dividends received from non-consolidated companies, the costs of assigning receivables, results due to discounting calculations (including the updating of retirement provisions), changes in the fair value of equity derivatives, and impairments and the results of the sale of financial assets, excluding cash and cash equivalents. This heading also includes exchange rate effects, excluding those concerning items consisting of cash and cash equivalents, and loans and financial debts, which are presented under the cost of net financial debt, as well as those related to the effective portion of accounting hedges from operational transactions that are presented under operating income.

Cash discounts obtained for rapid prompt are recognized as financial income for the portion corresponding to the normal market rate of interest, and as a deduction from the cost of goods sold for the remaining balance.

9.3.1 Cost of net financial debt

In € millions	**1st half of 2016**	**1st half of 2015 - restated (1)**
Income from sale of cash equivalents		
Income from cash and cash equivalents	68	100
Income from cash and cash equivalents	**68**	**100**
Interest expense on financing transactions after hedging (2)	(252)	(248)
Financial costs of lease financing	(5)	(4)
Cost of gross financial debt	**(257)**	**(252)**
Cost of net financial debt	**(189)**	**(152)**

1. *The financial statements as at June 30, 2015 were restated following the change in the presentation of the costs of the assignment of receivables without recourse within financial income. Thus, the line ‘Interest expense on financing transactions after hedging’ was restated for €152 million as at June 30, 2015.*

2. *During the 1st half of 2016, income of €13 million was recorded following exercise of the call option on the Monoprix ORA bonds (Note 2). Moreover, as part of the bond buybacks (Note 2), a gain of €38 million was recognized during the 1st half of 2016. During the 1st half of 2015, an amendment concerning bonds redeemable for Monoprix preferred stock reduced the interest rate (6 month Euribor + 4.1%) and income of €11 million was recorded*

9.3.2 Other financial income and expenses

In € millions	1st half of 2016	1st half of 2015 - restated
Financial income from investments		
Foreign exchange gains (excluding funding activities)	31	32
Income from discounting and reversal calculations	1	1
Positive change in the fair value of non-hedging derivatives (1)	70	10
Positive change in the fair value of financial assets measured at fair value		1
Other financial income	53	84
Total other financial income	**155**	**127**
Foreign exchange losses (excluding funding transactions)	(29)	(36)
Expenses of discounting and reversal calculations	(5)	(8)
Negative change in the fair value of non-hedging derivatives (1)	(13)	(182)
Negative change in the fair value of financial assets measured at fair value	(3)	(1)
Cost of assignment of receivables without recourse (2)	(138)	(152)
Other financial expenses	(63)	(67)
Total other financial expenses	**(250)**	**(446)**
Total other financial income and expenses	**(95)**	**(318)**

1. *As at June 30, 2016, the net income of €57 million primarily reflects the change in value of the GPA Total Return Swap ('TRS', €19 million,) the GPA forward (€16 million,) the Mercialys TRS concerning 2% of the capital (€1 million,) interest rate instruments (€2 million,) as well as the BIG C Thailand TRS, unwound during the half year (€23 million.)*

   During the 1st half of 2015, the net expense of €172 million primarily reflects the change in value of the Big C Thailand TRS (€-17 million), the GPA TRS (€-74 million), the GPA forward (€-80 million), and the Mercialys TRS concerning 1.37% of its share capital (€2 million,) and other derivative instruments (€-4 million.).

2. *The costs of the assignment of receivables without recourse were first presented in the line 'Interest expenses on funding transactions after the close of the period' (Note 9.3)*

9.4 Fair value of financial instruments

As at June 30, 2016

(In € millions)	Carrying value	Fair value	Hierarchy of fair values (1)		
			Level 1	Level 2	Level 3
Assets:					
Financial assets available for sale (2)	139	139	21	3	115
Derivative assets at fair value (3)	585	585		585	
Other derivative assets	25	25		17	8
Other financial assets	4	4	4		
Liabilities:					
Bonds (4)	8,941	9,182	9,045	137	
Other borrowings and lease financing (5)	5,246	5,248		5,248	
Hedging derivative liabilities at fair value (2)	139	139		139	
Other derivative liabilities (2)	498	498		498	
Debts related to commitments to purchase non-controlling interests (6)	154	154			154

As at December 31, 2015

(In € millions)	Carrying value	Fair value	Hierarchy of fair values [1] Level 1	Level 2	Level 3
Assets:					
Financial assets available for sale [2]	145	145	22	(0)	123
Derivative assets at fair value [3]	669	669		669	
Other derivative assets	33	33		33	
Other financial assets	5	5	5		
Liabilities:					
Bonds [4]	9,674	9,517	9,351	166	
Other borrowings and lease financing [5]	5,345	5,328		5,328	
Hedging derivative liabilities at fair value [2]	12	12		12	
Other derivative liabilities [2]	551	551		551	
Debts related to commitments to purchase non-controlling interests [6]	151	151			151

1. *Level 1 = market price; Level 2 = Models with observable parameters; Level 3 - models with non-observable parameters*
2. *The fair value of financial assets available for sale is generally based on standard measurement techniques. If their fair value cannot be determined reliably, they are not included in this note*
3. *Derivative instruments are subject to an internal or external measurement based on the standard measurement techniques for such instruments. The measurement models incorporate observable market parameters (in particular the yield curve) and the quality of the counterparty. Almost all the fair value hedging derivatives are used to hedge financial loans.*
4. *The market value of listed bonds was determined on the basis of the closing market price at the balance sheet date*
5. *The fair value of other borrowings was measured on the basis of other measurement methods, such as the discounted cash flow method, taking into account the Group's credit risk and the rates of interest applicable on the balance sheet closing date*
6. *The fair value of commitments to acquire non-controlling interests is determined by applying the calculation formulas in the contract and, if necessary, are discounted. These formulas are considered to represent fair value, and include, in particular, the use of EBITDA multiples*

Note 10 Shareholders' equity

10.1 Share capital

Share capital consists of common stock issued and entirely paid-up, with a par value of €3. As at June 30, 2016 it consisted of 48,778,526 shares representing a par value of €146 million.

	June 30, 2016	December 31, 2015
Number of shares at start of period	**48,778,526**	**48,721,948**
Exercise of stock options		17,076
Award of bonus shares		39,502
Number of shares at close of period	**48,778,526**	**48,778,526**

10.2 Non-controlling interests

Summary financial information about the main subsidiaries with holdings of non-controlling interests

The information presented in the table below complies with IFRS, adjusted if necessary to reflect fair value re-measurements on the date of takeover or loss of control, and restatements to ensure consistency of accounting principles with those of the Group. The amounts are presented before eliminations of intergroup accounts and transactions.

In € millions	Casino Group		Total GPA (1)(4)		of which, Via Varejo		of which, Cnova	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Country			***Brazil***		***Brazil***		***Netherlands***	
% of non-controlling interests (2)	*49.1%*	*51.6%*	*66.8%*	*58.7%*	*85.6%*	*82.1%*	*44.6%*	*41.9%*
% of voting rights in non-controlling interests (2)	*38.1%*	*39.5%*	*0.06%*	*0.06%*	*37.8%*	*37.8%*	*3.4%*	*3.4%*
For the first half								
Revenues	19,673	21,581	8,337	10,073	2,182	2,924	1,404	1,751
Net income from continuing operations	(400)	159	(257)	73	16	88	(245)	(76)
Net income from discontinued operations	2,900	101	28	(6)	-	-	28	(6)
Consolidated net income	2,501	260	(229)	67	16	88	(217)	(82)
Including non-controlling interests in continuing operations	*(237)*	*158*	*(115)*	*74*	*14*	*72*	*(110)*	*(33)*
Including non-controlling interests in discontinued operations	*1,436*	*69*	*13*	*(2)*	-	-	*13*	*(2)*
Other items of comprehensive income	1,235	(645)	1,319	(574)	358	(182)	53	(46)
Comprehensive income for the year	2,501	260	1,090	(507)	374	(94)	(164)	(128)
Of which, non-controlling interests	*2,195*	*(298)*	*745*	*(341)*	*317*	*(78)*	*(71)*	*(54)*
As at June 30, 2016 and December 31, 2015								
Current assets	13,128	13,343	5,464	5,612	2,296	2,438	916	1,160
Non-current assets	26,393	26,490	10,726	11,071	2,596	2,533	647	803
Current liabilities	13,597	14,914	6,033	5,522	2,067	2,203	1,579	1,482
Non-current liabilities	11,257	12,500	2,625	2,856	684	559	12	18
Net assets	14,667	12,419	7,532	8,306	2,141	2,209	(27)	462
Of which, non-controlling interests	*11,043*	*10,145*	*5,113*	*5,338*	*1,767*	*1,811*	*9*	*204*
For the first half								
Net cash flow, by activity	(2,294)	(1,098)	(1,367)	(497)	(519)	(229)	(334)	(52)
Net cash flow from investment activities	3,170	(805)	(138)	(284)	(11)	(50)	(5)	(43)
Net cash flow from funding transactions	(1,662)	(1,056)	(248)	(533)	(418)	(166)	84	(37)
Impact of changes in money market rates on cash	337	(187)	243	(185)	118	(79)	37	(29)
Change in cash	*(449)*	*(3,146)*	*(1,510)*	*(1,499)*	*(831)*	*(524)*	*(218)*	*(161)*
Dividends paid to groups (3)	(174)	(170)	-	(25)	-	(28)	-	-
Dividends paid to non-controlling interests for the year	*(176)*	*(182)*	*(1)*	*(76)*	-	*(36)*	-	-
Group average % holding for the 1st half of 2016	*50.9%*		*32.9%(4)*		*14.3%(4)*		*55.2%*	
Group % holding as at June 30, 2016	*50.9%*		*33.2%*		*14.4%*		*55.4%*	

1. Including Cnova and Via Varejo
2. The percentage of non-controlling interests set out in this table does not include the non-controlling interests of the sub-groups.
3. GPA and Éxito have an obligation to distribute (Note 12.8 of the Annual Report 2015)
4. These percentages represent the percentage that Casino holds in its subsidiaries

10.3 Distribution of dividend

The shareholders' Annual General Meeting of May 18, 2016 decided to distribute a dividend of €1.83 per share for the 2015 fiscal year.

The coupons attributable to holders of Casino's Perpetual Deeply Subordinated Notes (TSSDI) are presented as follows:

In € millions	June 30, 2016	June 30, 2015
Coupons attributable to holders of Perpetual Deeply Subordinated Notes	**46**	**45**
Of which, the amount paid during the period	37	37
Of which, the amount payable	9	8
Impact statement of cash flow	**43**	**43**
Of which, coupons allotted and paid during the period	37	37
Of which, coupons allotted for the previous year and paid during this period	6	6

Note 11 Provisions

11.1 Creation and changes

In € millions	January 1st, 2016[1]	Provisions	Reversals used	Reversals not used	Changes in scope of consolidation and transfers	Changes in exchange rates	Other	June 30, 2016
Disputes	564	161[2]	(25)	(39)	(1)	117	1	778
Various risks and contingencies	139	33	(23)	(25)	(1)	0	13	135
Restructurings	32	24	(15)	(2)	0	0	3	43
Total provisions	**735**	**218**	**(63)**	**(66)**	**(2)**	**117**	**17**	**955**
of which, non-current	542	23	(1)	(21)	0	116	111	771
of which, current	194	194	(61)	(45)	(2)	1	(95)	185

1. *A reclassification of €507 million in provisions for other risks and contingencies as provisions for litigation was made for the opening balances.*

2. *The allocation of €160 million primarily concerns GPA in respect of other tax disputes (in particular, 184 million reais - or €51 million - for income tax-related disputes, ICMS and PIS/COFINS taxes, and penalties whose risks were reassessed from possible to probable) and wage disputes.*

Provisions for disputes, risks and other expenses are made up of a number of sums related to proceedings concerning employment (labor courts), property (disputes over works, disputed rents, eviction of tenants, etc.), tax or economic matters (infringements, etc.).

More specifically, Other risks and contingencies amounted to €778 million and primarily represent the provisions relating to GPA (see table below).

In € millions	PIS/Cofins/CPMF disputes *	Other tax disputes	Wage disputes	Civil disputes	Total
June 30, 2016	**74**	**366**	**205**	**77**	**723**
December 31, 2015	24	294	136	57	511

*VAT and similar taxes

In these disputes, GPA contests the payment of certain taxes, contributions, and wage obligations. Pending final decisions from the administrative courts, these disputes have resulted in the payment of court-ordered deposits, which are presented under 'Non-current assets'. The guarantees given by GPA are in addition to these payments, and are presented under off-balance sheet commitments.

	June 30, 2016			December 31, 2015		
In € millions	Court ordered deposits	Assets given as collateral	Bank guarantees	Court ordered deposits	Assets given as collateral	Bank guarantees
Tax disputes	62	240	2,135	49	198	1,745
Wage disputes	234	2	7	165	1	9
Civil and other disputes	22	4	59	16	2	72
Total	**317**		**2,200**	**229**	**202**	**1,826**

11.2 Contingent liabilities

Contingent liabilities essentially concern the GPA Group; these are summarized as follows:

In € millions	June 30, 2016	December 31, 2015
INSS (employer contributions to the Brazilian national social security program)	112	95
IRPJ - IRRF and CSLL (income tax)	276	477
COFINS, PIS and CPMF (VAT and similar taxes)	641	526
ISS, IPTU and ITBI (tax on services, tax on urban property ownership, and tax on property transactions)	81	84
ICMS (VAT)	1,458	1,386
Civil disputes	240	192
Total	**2,809**	**2,760**

GPA uses the services of consultancy firms for advice on its tax disputes. The fees of these firms depend on a positive outcome for GPA. As at June 30, 2016, the estimated fees amounted to €19 million (€10 million as at December 31, 2015).

Note 12 Related parties

Rallye is controlled by Foncière Euris, which is itself controlled by Finatis, which is in turn controlled by Euris.

As at June 30, 2016, Foncière Euris held 55.34% of Rallye's share capital and 70.33% of its voting rights.

As part of its day-to-day management of the Group, the Company is involved in normal business relationships with all its subsidiaries. The Company and its subsidiaries also receive advice, particularly on strategy, from Euris, the ultimate holding company, with which agreements have been signed. The Group also receives other routine services from Euris and Foncière Euris (technical assistance, provision of staff and premises).

The amount recorded under expenses for the period relating to these agreements with Rallye and its subsidiaries amounted to €3.4 million, of which €2.9 million was for strategic assistance and €0.5 million was for providing personnel and premises.

Moreover, the Casino group conducted real property promotion campaigns with the Foncière Euris group, generating a positive contribution to EBITDA of €23 million during the 1st half of 2016.

The main transaction for the half year between Rallye and Foncière Euris concerns the dividend paid for 2015, in the amount of €49 million, in cash.

As part of the deployment of its dual model, combining retail distribution with commercial property activities, the Casino Group and its subsidiaries carry out property development transactions in jointly with Mercialys (Note 3.3.3.)

The relations with the other related parties, including the arrangements for compensating the senior managers, remain comparable to those of 2015, and there were no unusual transactions (either by their nature or amount) during the period.

The transactions with related parties, associated and joint venture companies, are mentioned in Note 3.3.3.

Note 13 Event subsequent to closing

Payment of Casino interim dividend

Casino's Board of Directors decided during its meeting on July 28, 2016 to distribute an interim dividend of €1.56 per share (50% of the annual dividend paid for 2015, which has not changed in the past three years) for 2016. The ex-dividend date will be November 28, 2016, with payment to be made on November 30, 2016.

4 - STATUTORY AUDITORS' REPORT ON THE 2016 HALF YEAR CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditor's report issued in French and it is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In performing the task entrusted to us by your annual general meetings and in application of Article L. 451-1-2 III of the French Monetary and Financial Code, we have:

- conducted a limited review of the company's consolidated interim financial statements Rallye for the period from January 1 to June 30, 2016 as attached to this report;
- verified the information provided in the interim management report.

These condensed consolidated interim financial statements have been prepared under the responsibility of the Board of Directors. Our role, based on our limited examination, is to express a conclusion on these financial statements.

1. Conclusion on the financial statements

We conducted our limited review in accordance with the professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, the standard of the IFRS as adopted by European Union applicable to interim financial statements.

Without calling into question our conclusion expressed above, we draw your attention to Note 1.3, of the condensed consolidated interim financial statements, related to the restatement of the comparative information as at June 30, 2015 that primarily concerns the change in the method of presenting the factoring costs, and to the impact of the presentation of discontinued operations.

2. Specific verification

We also verified the information provided in the half-year management report on the condensed consolidated interim financial statements subject to our review.

We have no matters to report as to the fair presentation and consistency with the condensed consolidated interim financial statements.

Paris-La Défense August 1, 2016

The Statutory Auditors

KPMG Audit	ERNST & YOUNG et Autres
Department of KPMG S.A.	
Catherine Chassaing	Henri-Pierre Navas
Partner	Partner